

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20278-0001

MARKET-DOMINANT PRICE CHANGE

Docket No. R2021-2

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1 AND 2 OF CHAIRMAN'S INFORMATION REQUEST NO. 6
(June 21, 2021)

The Postal Service hereby responds to Questions 1 and 2 of Chairman's Information Request No. 6, issued on June 15, 2021. Each question is stated verbatim and is followed by its response. The answer to Question 3 is forthcoming and will be filed separately.

Respectfully submitted,
UNITED STATES POSTAL SERVICE

By its attorneys:

Nabeel R. Cheema,
Chief Counsel, Pricing & Product Support

Michael Gross

475 L'Enfant Plaza SW
Washington, D.C. 20260-1101
(202) 268-6915
Michael.I.Gross@usps.gov
June 21, 2021

Periodicals

1. 39 U.S.C. § 3626(a)(5) states that “[t]he rates for any advertising under former section 4358(f) of this title shall be equal to 75 percent of the rates for advertising contained in the most closely corresponding regular-rate category of mail.” Former § 4358(f) of title 39 refers to the advertising pound prices for Zones 1 and 2 for Science of Agriculture Periodicals. However, in the Notice, the Postal Service states that “[a]dvertising pound prices for Zones 1 & 2 are 54 percent of the rates applicable to regular Outside County Periodicals.” Notice at 34. This is also inconsistent with past recent rate proceedings, where the Postal Service consistently set Zone 1 and 2 prices for advertising pounds for Science of Agriculture Periodicals at 75 percent of the rates applicable to regular Outside County Periodicals.¹
 - a. Please confirm that 39 U.S.C. § 3626(a)(5) requires that advertising pound prices for Zones 1 and 2 for Science of Agriculture Periodicals be set at 75 percent of the rates applicable to regular Outside County Periodicals.
 - b. If part a. is confirmed, please provide revised rates, including any changes needed to be made to Attachment A to the Notice and Library Reference USPS-LR-R2021-2/3, consistent with 39 U.S.C. § 3626(a)(5).
 - c. If part a. is not confirmed, please provide an explanation for why the Postal Service believes its approach is consistent with 39 U.S.C. § 3626(a)(5) as well as its rationale for its change in approach compared to prior years.

Response:

- a. Confirmed.
- b. The Postal Service has revised the advertising pound price for Outside County Science of Agriculture Periodicals in Zones 1 and 2 to from \$0.159 to \$0.219, 75 percent of the corresponding price for regular Outside County Periodicals. The change is filed separately today in R2021-2

¹ Docket No. R2021-1, United States Postal Service Notice of Market-Dominant Price Change, October 9, 2020, at 35; Docket No. R2020-1, United States Postal Service Notice of Market-Dominant Price Change, October 9, 2019, at 36; Docket No. R2019-1, United States Postal Service Notice of Market-Dominant Price Change, October 10, 2018, at 30; Docket No. R2018-1, Notice of Market Dominant Price Adjustment, October 6, 2017, at 32.

United States Postal Service Notice of Errata and Revisions, June 21,
2021.

- c. Not applicable.

2. In Response of the United States Postal Service to Questions 2-4 of Chairman's Information Request No. 1, June 14, 2021 (Response to CHIR No. 1), Excel file "2021-06-14-Attachment B - R2021-2.xlsx," tab "Passthrough Outside County," the price for Nonmachinable Nonautomation MADC Flats is listed as \$0.781 in cell H29 and the price for Nonmachinable Automation MADC Flats is listed as \$0.779 in cell D29. The discount of \$0.002 is reflected in cell N29. In Response to CHIR No. 1, question 2, the Postal Service states "[t]here are no avoided costs between Nonmachinable Nonautomation MADC Flats and Nonmachinable Automation MADC Flats; therefore, there is no discount."
- a. Please confirm that the new prices create a discount. If confirmed, please revise the prices for Nonmachinable Nonautomation MADC Flats and Nonmachinable Automation MADC Flats to reflect the \$0.000 avoided cost.
 - b. If part a. is not confirmed, please explain.

Response:

- a. The Postal Service has changed the price of Nonmachinable Automation MADC Flats to \$0.781 to reflect the \$0.000 difference in avoided cost. The change is filed separately today in R2021-2 United States Postal Service Notice of Errata and Revisions, June 21, 2021.
- b. Not applicable.